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**The Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: David E. Nowak - Expenses Incurred in Connection with
Temporary Quarters
File: B-222087
Date: August 18, 1986

DIGEST

A relocated IRS employee is not entitled to reimbursement for a reletting fee incurred by the premature settlement of a lease when moving from temporary to permanent quarters at his new duty station since it is a security deposit, as distinguished from a subsistence expense in the nature of rent for lodging, and since it did not occur at the old duty station. The employee may also not be reimbursed for a telephone installation charge in temporary quarters at his new duty station since it is not for a service ordinarily included in the price of a hotel or motel room.

DECISION

This decision is in response to a request from Mr. Larry W. Faulkner, Chief of the Internal Revenue Service (IRS), Southwest Regional Office Accounting Section, concerning the disallowance of certain travel expenses claimed by Mr. David E. Nowak, an IRS employee.

The issues in this decision are whether Mr. Nowak is entitled to claim a reletting fee of \$361.25, and telephone installation charges of \$69, that were incurred in his temporary quarters at his new duty station. For the reasons that follow we hold that the reletting fee and telephone installation charges are not allowable subsistence expenses.

BACKGROUND

On October 10, 1983, Mr. Nowak was authorized moving expenses for his relocation from Detroit, Michigan, to Houston, Texas. In Houston, he signed a 6-month lease for temporary quarters from February 4, 1984, through July 31, 1984. The record is unclear as to when Mr. Nowak actually terminated his lease but he submitted a voucher covering the 60 days from February 4, 1984, through April 2, 1984. The IRS disallowed a reletting fee of \$361.25, and telephone installation charge of \$69. However, the IRS allowed a forfeited security deposit of \$150.

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Mr. Nowak submitted a supplemental voucher on October 10, 1984, and resubmitted it on January 8, 1985, each time attaching an explanation of his claim. Mr. Nowak contends that the reletting fee should be reimbursed since it is a cost of renting temporary quarters for the period of occupancy, and is in the nature of a nonrefundable security deposit or additional rental premium for the privilege of renting an apartment month-to-month. He contends that the \$69 telephone expense should be reimbursed since it is for telephone service and not for telephone installation.

DISCUSSION

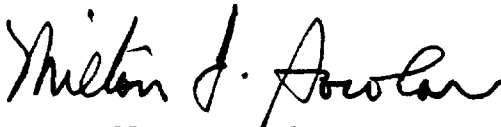
Our decisions have consistently held that the premature settlement of an unexpired lease is not allowable when moving from temporary to permanent quarters at a new duty station. 55 Comp. Gen. 779 (1976); and Walter V. Smith, B-186435, February 23, 1979. Thus, an employee who is reimbursed for temporary quarters subsistence expenses at his new duty station is not entitled to reimbursement for settlement of an unexpired lease since the governing statute only applies to an unexpired lease at the old duty station. 5 U.S.C. § 5724a(a)(4) (1982).

Further, the Federal Travel Regulations, FPMR 101-7, incorp. by ref., 41 C.F.R. § 101-7.003 (1985), provides in para. 2-5.4a that only actual charges for meals, lodging, and other items not applicable here, are allowable subsistence expenses. Thus, a reletting fee, which is in the nature of a security deposit, is distinguished from a subsistence expense in the nature of rent for lodging, and also cannot be reimbursed since it did not occur at the old duty station.

Further, as the agency correctly points out, we have also denied reimbursement of a security deposit on temporary quarters for the same reasons shown above. 55 Comp. Gen. 779, supra, at 783. Therefore, Mr. Nowak's claim for reimbursement of a reletting fee is denied, and the amount he was reimbursed for the security deposit should be collected back.

As with lease settlements, our decisions have consistently held that telephone installation charges in temporary quarters are not allowable as a lodging expense. James L. Palmer, 56 Comp. Gen. 40, 42 (1976); and 52 Comp. Gen. 730 (1973). Thus, we held in the latter decision that the cost of lodgings reimbursable under the statutes and regulations includes those items of expense which are for accommodations or services ordinarily included in the price of a hotel or motel room. We therefore held that a telephone user charge, but not the cost of installation, is reimbursable as a cost of lodging.

Mr. Nowak characterizes the \$69 fee as a user charge and claims that it is therefore reimbursable. However, we note that it is a one-time charge for work done on January 8, 1984, and consists of \$5 for equipment, \$40 for order processing, and \$24 for telephone office line connection. This cost would not be billed on a monthly basis, and therefore it is a phone installation charge. Accordingly, Mr. Nowak's claim for the \$69 fee is denied.

for 
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